

JUN - 7 2004



From the desk of:

Carol A. Hemington, GCMB  
Region 2 TAG Coordinator

To: Addressees

Subj: Edison Wetlands Association, Inc. Revision to Technical Assistance Grant (TAG) Application Submission, for Review

The Edison Wetlands Association, Inc. (EWA) has submitted a response to my January 20, 2004 letter that provided EPA's comments on their application for a TAG for the Cornell-Dubilier Electronics, Inc. site. Their response is attached. For your assistance, I have reviewed their response and provided my comments on it. My comments are shown as annotations on the attached copy of my January 20, 2004 letter.

Please conduct your review with the thought in mind that - in addition to the application for this TAG - EWA already has one active TAG, has requested an extension for another TAG, has submitted an application for another new TAG, and is interested in submitting an application for another new TAG once we re-advertise it (since the other applicant did not respond to our comments and we will need to re-advertise that TAG). Therefore, EWA needs to be able to demonstrate that procedures exist to handle and track multiple TAGs.

Please note that this version of the application has added a new task (Task 16) for "review ATSDR Reports for OU 1, OU 2, and OU 3." Because of this, I have added the ATSDR representative to the Addressee list.

I also would like to note that I have just returned from a national TAG conference in which the OIG gave several presentations related to problems and issues that they have been finding at nonprofit organizations in general and TAGs in particular. (Based on their findings, one TAG has been terminated, and for other grants numerous costs have been disallowed.) These issues include many related to grantees that state in the grant application that they have (or will have) certain procedures in place but in actuality they do not have them. Particular areas that have been problematic include: 1) inadequate recordkeeping of grant expenditures; 2) failure to document that matching share was met; 3) failure to separately identify costs for specific grants; 4) inadequate procurement systems; and 5) failure to adequately document labor costs (including those in the matching share). The OIG recommended that the best way to prevent problems was to require the applicant to submit actual hard copies of documents rather than just stating that they "have" or "will have" the documents and to follow up with the grantees by doing reviews after grant award to be sure they are doing what they said they would, and to get hard copies at that time of the procedures and documents the grantee is using to track costs. In addition, in response to previous issues such as these, EPA HQ (GAD) is proposing a pre-award checklist to be used in the future for nonprofit applicants for EPA grants. A preliminary draft of that checklist has been prepared, and I am attaching it just FYI and for your use in seeing the kinds of things, and level of detail, that HQ is recommending for review prior to awarding a grant.

Based on the above, it is important that we insure that all of the items included in the grant (both federal and matching shares) will be eligible and documentable. That underscores the need for the additional information noted in my comments on the application.

Please review EWA's submission and my comments, and provide your comments to me by June 18, 2004. It appears that we will need additional information, but perhaps we could call them before we send out another letter, in order to clarify the areas that are causing particular problems.

Attachments

Addressees:

Carole Petersen/NJRB  
Delmar Karlen/NJSUP  
Peter Brandt/ICAB  
John Prince/NJRB  
Pete Mannino/NJRB ✓  
Sarah Flanagan/NJSUP  
Cecilia Echols/ICAB  
Arthur Block/ATSDR

299041



**DRAFT**

## Appendix B

### **Sample Request for Information on Administrative Capability (may be included in application instructions or submitted directly to applicant)**

EPA has established a program for assessing the administrative capability of non-profit organizations applying for EPA assistance agreements. Nonprofit applicants requesting new grants of \$100,000 or more are required to complete the following questionnaire and provide supporting documents. The program is designed to ensure that prospective recipients understand the administrative requirements that apply to EPA grants and to ascertain the prospective recipient's capability to administratively management their grants.

After receiving the information from the applicant, EPA will generally conduct a cursory review of the information submitted to determine administrative capability. If the cursory review reveals material deficiencies, EPA may recommend that EPA withhold grants to your organization and place funding restrictions on your existing grants. If the cursory review reveals less serious deficiencies, EPA may recommend that funding restrictions be placed on any future awards your receive until the deficiencies are corrected. Once we are able to certify administrative capability, we will recommend that funding restrictions be removed from any existing or pending award. If after the award is a made, a more comprehensive review reveals that the applicant does not have administrative capability that it originally claimed, EPA may take various actions including, but not limited to, suspension of grant funds to voiding (rescinding) the grant.

If you have any questions, need assistance in preparing your documentation, or need additional time to respond, please let us know. We can be reached at (Xxx) xxx-xxxx, email: [xxx@EPA.gov](mailto:xxx@EPA.gov). Our fax number is (xxx) xxx-xxxx.

**NOTE:** If your organization has completed and submitted the attached capability questionnaire for another application in the last three years AND has been informed that it meets EPA's administrative capability requirements for assistance programs, you do not have to complete the questionnaire again. Simply fill out the following certification and submit this sheet with your application.

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#### Certificate of Completion

I certify that \_\_\_\_\_ [name of organization] completed the "EPA Administrative Capability Questionnaire" and was notified by the EPA grants management office on \_\_\_\_\_ [date] that my organization provided sufficient documentation on administrative capability to \_\_\_\_\_ [name of EPA grants management contact].

**Applicant's Authorized Representative:**

Name \_\_\_\_\_  
Title \_\_\_\_\_  
Signature \_\_\_\_\_

## EPA Administrative Capability Questionnaire

The Environmental Protection Agency (EPA) uses the standards set forth in the Code of Federal Regulations, Title 40, Part 30, Subpart C to assess the adequacy of administrative management systems. The standards can be found on EPA's website at: <http://www.epa.gov/ogd/grants/regulations.htm>. If your organization is being recommended for an EPA grant, and your organizational policies and procedures do not fully cover the areas outlined in this Enclosure, revised or new policies may be necessary to comply with Federal financial management standards.

<b>Instructions:</b> Check the appropriate box to the right for each item. If your organization does not have written policies/procedures for that item check ( ) the box under the "No" column. If your organization does have written policies/procedures for that item check the box under the "Yes" column and attach copies of the policies/procedures, an A-133 audit report, or other evidence that your administrative systems meet the following standards. If your organization is currently developing policies/procedures, provide the date of completion and attach any explanations necessary.	<b>No</b>	<b>Yes (attach documents)</b>	<b>Being developed (provide date of completion - attach explanation if necessary)</b>
<b>Financial Position and Cash Management</b>			
<b>1. Cash Requirements.</b> The procedures must explain how the organization will minimize the time elapsing between the transfer of funds and disbursement of funds.			
<b>2. Budgeted and Actual Expenditures.</b> Procedures must outline requirements for comparing actual to budgeted expenditures. Comparisons are usually performed at the close of each month, detailing cumulative incurred costs to date for each budgeted line item. Significant variances must be reviewed to ensure actual costs do not exceed budgeted amounts for the grant period.			

<b>Instructions:</b> Check the appropriate box to the right for each item. If your organization does not have written policies/procedures for that item check ( ) the box under the "No" column. If your organization does have written policies/procedures for that item check the box under the "Yes" column and attach copies of the policies/procedures, an A-133 audit report, or other evidence that your administrative systems meet the following standards. If your organization is currently developing policies/procedures, provide the date of completion and attach any explanations necessary.	No	Yes (attach documents)	Being developed (provide date of completion - attach explanation if necessary)
<b>3. Annual Audits.</b> If applicable, procedures must detail requirements for an annual audit, to be performed in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. A non-Federal audit is required if, during the fiscal year, an organization expends a total of \$300,000 (\$500,000 for fiscal years ending after December 31, 2003).			
<b>Accounting System</b>			
<b>1. General.</b> Policies must include a description of the accounting system, including cash receipts, disbursement journals, and general ledger. A double-entry accounting system capable of identifying expenditures to the Federal grant must be maintained, together with a chart of accounts.			
<b>2. Indirect Costs.</b> Policies must describe any existing or planned indirect cost rates (if applicable). The policy must disclose the type of rate or rates used, as well as the content of pooled expenses and the type of allocation base used to allocate costs. If all costs are charged direct, the accounting system must adequately track and consistently apply costs to cost objectives.			
<b>Internal Controls.</b> Internal controls are necessary for ensuring the efficiency and effectiveness of operations, for safeguarding assets, and for ensuring the reliability of financial reporting. Some areas to be covered include the following:			

<b>Instructions: Check the appropriate box to the right for each item. If your organization does not have written policies/procedures for that item check ( ) the box under the "No" column. If your organization does have written policies/procedures for that item check the box under the "Yes" column and attach copies of the policies/procedures, an A-133 audit report, or other evidence that your administrative systems meet the following standards. If your organization is currently developing policies/procedures, provide the date of completion and attach any explanations necessary.</b>	<b>No</b>	<b>Yes (attach documents)</b>	<b>Being developed (provide date of completion - attach explanation if necessary)</b>
<b>a. Cash Receipts.</b> Procedures must provide for adequate separation of duties for receipt and deposit of funds. The individual who opens the mail and receives checks must not be the same person who makes the bank deposits. Policies must include procedures for logging incoming mail and reconciling with bank deposits.			
<b>b. Bank Reconciliations.</b> Procedures must provide for monthly bank reconciliations. The person performing the bank reconciliation must be different than the person depositing the checks.			
<b>c. Cash Disbursements.</b> Procedures must provide for maintaining copies of supporting documentation for disbursements, for controlling blank checks, and for approving disbursements. Policies must outline the number of required signatures on checks, as well as signatory authority designations. Significant disbursements (over \$1,000) normally require more than one signature.			
<b>d. Credit Cards.</b> Policies must describe internal procedures used to control the use of organizational credit cards. Procedures must be established to control access to credit cards and prohibit personal expenditures. Policies must also require prior approval of expenditures, documentation of amounts charged, and limit the amount and type of expenses that can be incurred.			
<b>Written policies and procedures must provide guidelines for personnel travel, procurement, property control, and the use of consultants.</b>			

<p><b>Instructions:</b> Check the appropriate box to the right for each item. If your organization does not have written policies/procedures for that item check ( ) the box under the "No" column. If your organization does have written policies/procedures for that item check the box under the "Yes" column and attach copies of the policies/procedures, an A-133 audit report, or other evidence that your administrative systems meet the following standards. If your organization is currently developing policies/procedures, provide the date of completion and attach any explanations necessary.</p>	No	Yes (attach documents)	Being developed (provide date of completion - attach explanation if necessary)
<p>e. Personnel. A Personnel Manual must include written procedures for general employment, such as hiring, dismissal, hours of work, employee benefits, and available paid absences. Both the amount and type of paid absence, as well as work requirements for earning paid leave must be detailed.</p>			
<p>f. Timekeeping. Written procedures for time and attendance must include identification of time worked on specific projects (job cost system), as well as paid time off, employee signatures certifying to the accuracy of the time sheet, and supervisory signature approving time charges.</p>			
<p>g. Travel. Procedures must ensure that travel expenses are both necessary and reasonable. Policies must document management control over travel expenses, dollar limitations for mileage, meals and lodging, approval by supervisor prior to travel, approval of travel vouchers, and documentation required for payment. Airfare must be limited to coach fare, and car rental must be limited to compact or mid-sized automobiles (exceptions must be justified).</p>			

<p><b>Instructions:</b> Check the appropriate box to the right for each item. If your organization does not have written policies/procedures for that item check ( ) the box under the "No" column. If your organization does have written policies/procedures for that item check the box under the "Yes" column and attach copies of the policies/procedures, an A-133 audit report, or other evidence that your administrative systems meet the following standards. If your organization is currently developing policies/procedures, provide the date of completion and attach any explanations necessary.</p>	<p>No</p>	<p>Yes (attach documents)</p>	<p>Being developed (provide date of completion - attach explanation if necessary)</p>
<p>h. Procurement. Policies must document review and approval procedures for both small and large dollar purchases. Policies must identify dollar limitations, documentation procedures (such as the use of purchase requisition and purchase order forms), and the procedures used to ensure cost reasonableness (competitive bidding, price analysis, etc.) and affirmative steps to be taken to ensure opportunities are available to small and disadvantaged business enterprises.</p>			
<p>i. Property Control. Property management procedures must establish the basis for accountability for all equipment. Property records must include a description of cost, purchase date, source of funding, location and condition. In addition, the procedures must define the frequency of the physical inventory; the requirement that all property owned by the Government must be tagged; and a control system to ensure adequate safeguards to prevent loss or theft.</p>			
<p>j. Consultants and Subcontracts. Procedures must document: the nature and scope of services that may be outsourced; a requirement to evaluate in-house before obtaining external assistance; the required selection process; and a requirement for ensuring the reasonableness of cost.</p>			
<p>k. Conflict of Interest. Policy guidelines must be established to avoid and prevent conflict of interest situations; policies must reflect State and local laws, and must cover financial interests, gifts, gratuities, favors, nepotism, and other areas such as political participation and bribery.</p>			

<b>Instructions:</b> Check the appropriate box to the right for each item. If your organization does not have written policies/procedures for that item check ( ) the box under the "No" column. If your organization does have written policies/procedures for that item check the box under the "Yes" column and attach copies of the policies/procedures, an A-133 audit report, or other evidence that your administrative systems meet the following standards. If your organization is currently developing policies/procedures, provide the date of completion and attach any explanations necessary.	<b>No</b>	<b>Yes</b> <b>(attach documents)</b>	<b>Being developed</b> <b>(provide date of completion - attach explanation if necessary)</b>
<b>1. Drug Free Workplace Policy.</b> The requirements of the Drug Free Workplace Act must be included in established policies.			

Submit questionnaire with documentation at least 60 days prior to your proposed project start date by email to xxx@EPA.gov or by mail to the following address:

US Environmental Protection Agency (EPA)

XXXXXXXXXXXXXX

**Attn: XXXXXXXXXXXX**

Applicant's Authorized Representative:

Name \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_



**[I HAVE ANNOTATED MY JANUARY 20, 2004 LETTER IN RESPONSE TO EWA'S UNDATED (RECEIVED APRIL 20, 2004) SUBMISSION; MY COMMENTS ARE IN BOLDFACE CAPS, IN BRACKETS. PLEASE NOTE THAT EWA HAS REVISED ALL SECTIONS OF THE APPLICATION, NOT JUST THE ONES THAT EPA COMMENTED ON; THEREFORE THE ENTIRE APPLICATION NEEDS TO BE RE-REVIEWED. MY ADDITIONAL COMMENTS BASED ON THE NEW REVISIONS APPEAR AT THE END OF THIS DOCUMENT.]**

**- Carol Hemington, EPA Region 2 TAG Coordinator  
- June 7, 2004]**

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Mr. Robert Spiegel, Executive Director  
Edison Wetlands Association, Inc.  
2003 State Hwy 27  
Edison, NJ 08817

Subject: Application for Superfund Technical Assistance Grant for Cornell-Dubilier Electronics, Inc. Site

Dear Mr. Spiegel:

The EPA Region 2 Technical Assistance Grant (TAG) Team has reviewed the September 12, 2003 application for a Technical Assistance Grant for the Cornell-Dubilier Electronics, Inc. Superfund site, that was submitted by the Edison Wetlands Association, Inc. (EWA). Based on our review of the application, members of the Region 2 TAG Team have identified several items for which additional information or clarification is necessary in order to be able to complete the processing of the application. These items are as follows:

**1. Incorporation/Eligibility Issues**

- a. The regulations at 40 CFR §35.4045 discuss eligibility of previously- incorporated applicant groups, in terms of their including "all individuals and groups that joined in applying for the TAG."
- b. Based on the regulations cited above, EPA may determine that EWA needs to reincorporate in order to be eligible to receive a TAG. However, EWA indicated in its application that it would be willing to do this.

**[REINCORPORATION WILL NOT BE NECESSARY; THE COMPETING GROUP DID NOT SUBMIT A REVISED APPLICATION BY THE DUE DATE AND THEREFORE THEIR APPLICATION WILL BE RETURNED.]**

**2. Other Eligibility Issues**

- a. Item 1.C.2. needs to address how members of the group and the community it represents are affected by the site. The TAG regulations define "affected" as

"subject to an actual or potential health, economic or environmental threat" and give examples of "affected parties" as people who live in areas near NPL facilities, whose health may be endangered by releases of hazardous substances at the facility, or whose economic interests are threatened or harmed. A description is needed of specifically how members of the EWA group are affected by the site.

**[IN ORDER TO ANSWER THIS QUESTION, A LINKAGE NEEDS TO BE MADE BETWEEN THE MEMBERS OF THE GROUP AND THE SITE. I DO NOT SEE SUCH A LINKAGE IN EWA'S RESPONSE, SINCE THE ONLY MENTION OF THE MEMBERS IS VERY GENERAL.]**

- b. Item 1.C.3. needs to address the number and diversity included in the group's representation; EWA's response needs to be amplified by providing a description of the membership, including a description of the geographic area in which members reside and what segments of the affected community they represent.

**[THE REVISED RESPONSE STATES THAT "A SIGNIFICANT PORTION OF EWA'S MEMBERS RESIDE IN THE TOWNS OF SOUTH PLAINFIELD, METUCHEN, SAYREVILLE, NORTH BRUNSWICK, NEW BRUNSWICK, EAST BRUNSWICK, AND HIGHLAND PARK" AND THAT "THE MEMBERSHIP IS COMPOSED OF INDIVIDUALS AND FAMILIES FROM THE COMMUNITY WHO ARE CONCERNED ABOUT THEIR LOCAL ENVIRONMENT AND THEIR HEALTH." WE MIGHT WANT TO ASK FOR A LIST SHOWING WHERE THE MEMBERS RESIDE (AT LEAST THE NAMES OF THE STREETS AND TOWNS).]**

### 3. Application Issues

- a. The form EPA 5700-49 regarding Debarment and Suspension is needed. This form is on page 33 of the "Technical Assistance Grant (TAG) Program: Application Forms with Instructions" booklet that was sent to EWA previously. **[O.K.]**
- b. The form EPA 4700-4 regarding Preaward Compliance is needed. This form is on page 35 of the "Technical Assistance Grant (TAG) Program: Application Forms with Instructions" booklet that was sent to EWA previously. **[O.K.]**
- c. There is no evidence that the application was submitted for the required Intergovernmental Review (E.O. 12372 review). It will need to be submitted, and then the Intergovernmental Review agencies will have 60 days after receipt to review and comment. **[THE STATEMENT IS MADE THAT THE APPLICATION WAS MADE AVAILABLE TO MIDDLESEX COUNTY, NJDEP, AND EPA ON FEBRUARY 4, 2004. I DO NOT FIND EPA'S COPY, BUT A CLEARANCE LETTER WAS RECEIVED FROM NJDEP. BASED ON THE DATE IN EWA'S LETTER, THE REQUIRED REVIEW PERIOD WOULD HAVE BEEN OVER APRIL 9, 2004.]**
- d. One of the boxes must be checked off in Block 17 of Standard Form 424 and a revised original signed form must be submitted. **[O.K.]**

4. Management/Administration Issues

- a. It is stated in the EWA By-Laws that the Finance Committee will annually arrange an independent audit of EWA finances, and will prepare an annual financial statement. Please provide copies of the most recent audit and financial statement. **[RECEIVED AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDING 12/31/2002. INTERESTINGLY, THE "INDEPENDENT AUDITOR'S REPORT" WAS PREPARED BY THE SAME CPA WHO WAS THE "GRANT ADMINISTRATOR" FOR EWA FOR THE CIC TAG GRANT. SEE OTHER QUESTIONS AT END OF THIS DOCUMENT.]**
- b. EWA needs to describe how the group plans to maintain separate financial records for each TAG, including providing specific descriptions of the accounting for Federal share and matching share for each grant. Specific examples are needed of the systems or documents that will be used for this tracking, including the equivalent of a General Ledger for each separate grant, showing sources and uses of funds, expenditures and payments. A description is needed of how payments received from EPA for different grants will be identified (e.g., separate bank accounts if necessary). **[AN EXPLANATION AND EXAMPLES WERE PROVIDED, BUT DOES NOT SEEM TO INCLUDE ALL OF THE ABOVE. IN ADDITION, IT SEEMS THAT THE SITE DETAIL REPORT PROVIDED AS AN EXAMPLE INCLUDES EXPENDITURES FOR BOTH TAG AND NON-TAG ITEMS FOR THE SITE, AND THERE IS NOT A DESCRIPTION OF HOW THE TAG-ELIGIBLE ITEMS WOULD BE DETERMINED. FMB IN-DEPTH REVIEW IS NEEDED, PARTICULARLY IN LIGHT OF EWA'S APPLYING FOR MULTIPLE TAGS AND RECEIVING GRANT FUNDS FROM OTHER SOURCES, AS SHOWN IN THE FINANCIAL STATEMENT.]**
- c. EWA needs to describe how the group plans to track grant expenditures against approved grant budgets, and needs to provide EPA with an example of the report EWA will use showing budget versus actual expenses. **[SEE COMMENT IN THE PARAGRAPH ABOVE.]**
- d. EWA must ensure that there is a separation of duties of accounting functions between the receipt, payment and recording of cash, and needs to describe the system of checks and balances it will use to separate these functions. **[A DESCRIPTION IS PROVIDED; FMB REVIEW IS NEEDED. ALSO, THE "OFFICE MANAGER" POSITION DESCRIBED HAD BEEN ADVERTISED ON EWA'S WEBSITE, BUT IS NOT CURRENTLY ADVERTISED. WE SHOULD FIND OUT IF IT HAS BEEN FILLED.]**
- e. EWA needs to describe its records retention plan, including how the group plans to organize records for public accessibility and safeguard records, including all grant-related documents, from loss. **[A DESCRIPTION IS PROVIDED, WHICH FOCUSES ON SITE DOCUMENTS. IT DOES NOT ADDRESS GRANTS MANAGEMENT DOCUMENTS OR SAFEGUARDING DOCUMENTS FROM EVENTS SUCH AS THE FLOOD WHICH DESTROYED DOCUMENTS OF THE PREVIOUS TAG.]**

- f. EWA needs to describe its plan for organizing grant-related files, and its procedure for monitoring grant milestones, deliverables (such as required reports), due dates, and grant conditions. The description needs to indicate who will have responsibility for these tasks. **[A DESCRIPTION IS PROVIDED, WHICH FOCUSES ON SITE-RELATED DOCUMENTS AND TECHNICAL ADVISOR DELIVERABLES. NO MENTION IS MADE OF GRANT CONDITIONS OR GRANT-RELATED REPORTS OTHER THAN THE QUARTERLY REPORT. IT IS STATED THAT "THE TAG PROJECT MANAGER WILL BE RESPONSIBLE FOR MONITORING GRANT PROGRESS."**

5. Budget

- a. As has been noted to EWA in the past, time for any volunteer technical advisor may only be included in the matching share if these services are an integral and necessary part of the approved project, if the person providing these services meets the criteria for a technical advisor that are described in the regulations (40 CFR §35.4190), keeps timesheets showing what time was spent on this project and what services were provided, values the time based on what is paid for similar work in the labor market, does not include overhead costs in the valuation, and provides a bill to EWA for these services, with the backup documentation described above, showing the cost and marked "no charge" to the group. The "quarterly reports from technical advisors for external contributions" described in the application would not be adequate documentation. EWA needs to describe how the volunteer technical advisor would meet the requirements described above. **[THE RESPONSE STATES THAT DR. NORMAN VAN HOUTEN HAS PREVIOUSLY SERVED AS A VOLUNTEER TA FOR EWA, AND THAT HE WILL PROVIDE TIMESHEETS AND INVOICES MARKED "NO CHARGE." THE REST OF THE INFORMATION WAS NOT PROVIDED, AND IS STILL NEEDED. THEREFORE, WE SHOULD ASK FOR MORE INFORMATION ABOUT WHAT SERVICES THE VOLUNTEER TA WOULD BE PROVIDING, THE QUALIFICATIONS OF THE VOLUNTEER TA, AND A SAMPLE OF DOCUMENTATION THAT THE VOLUNTEER TA WOULD PROVIDE TO SUBSTANTIATE THEIR HOURS. ALSO, WE SHOULD REMIND EWA THAT EPA WILL NEED TO CONCUR ON THE SPECIFIC TA AND ACTIVITIES PRIOR TO EWA'S UTILIZING ANY OF THAT PERSON'S TIME AS PART OF THE MATCHING SHARE. IT SHOULD BE NOTED THAT THIS AREA HAS BEEN A PROBLEM FOR EWA IN THE PAST, IN THAT THE INFORMATION PROVIDED BY DR. VAN HOUTEN WAS NOT SUFFICIENT TO BE USED AS PART OF THE MATCHING SHARE.]**
- b. Use of equipment as part of the matching share requires that a usage rate be approved by EPA and a log kept of usage for each site; only the amount used for the site can be counted as matching share for that grant. EWA needs to provide a proposed usage rate for each piece of equipment. **[THE RESPONSE STATES THAT "EWA WILL KEEP A RUNNING TALLY OF THE NUMBER OF COPIES MADE." WE SHOULD ASK FOR COPIES OF THE LOGS, SHOWING**

**ACTUAL ENTRIES OF CURRENT USAGE BY ACTIVITY.]**

- c. EWA needs to describe what is meant by "writing and editing services, and mailing services" in the narrative; i.e., what the services are, who is providing them, and how they relate to the \$620 for "Supplies, Postage" and the \$1,500 for "information dissemination" shown in the Federal share of the budget. **[THESE ITEMS HAVE BEEN REMOVED FROM THE BUDGET.]**
- d. EWA needs to explain the amount included for travel, based on the fact that travel for EWA members is not an allowable cost. **[TRAVEL EXPENSES HAVE BEEN REMOVED FROM THE BUDGET.]**
- e. Only that portion of the newsletter and/or website that is specifically applicable to the Cornell-Dubilier Electronics, Inc. site can be counted as an in-kind contribution or charged to the TAG. EWA needs to describe how the amount would be determined. **[THE WEBSITE AND NEWSLETTER HAVE BEEN REMOVED FROM THE BUDGET.]**
- f. The narrative states that TAG Committee meetings will meet "at least once a year" while the budget backup figures state that four meetings a year will be held. This discrepancy needs to be addressed. In EPA's comments on previous EWA applications, we have recommended that the TAG Committee for a specific site meet at least twice a year. **[THE RESPONSE STATES THAT THE TAG COMMITTEE WILL MEET FOUR TIMES PER YEAR.]**
- g. The narrative states that "EWA will establish a standing TAG Committee for the duration of the project...." and outlines specific responsibilities for the TAG Committee. EWA needs to describe its criteria for inclusion on the TAG Committee and its procedures for tracking the membership of the TAG Committee. Please note that only identified members of the TAG Committee would be allowable as part of the matching share. **[THE RESPONSE DESCRIBES PROCEDURES, BUT SINCE THE APPLICATION STATES THAT "EWA WILL TRACK MEMBERSHIP BY SIGN-IN SHEETS." IT DOES NOT APPEAR THAT THESE PROCEDURES ARE FOR A STANDING TAG COMMITTEE. RATHER THIS STATEMENT COUPLED WITH INFORMATION PROVIDED BY EWA AT THE ON-SITE REVIEW, IT APPEARS THAT THE "TAG COMMITTEE" ENVISIONED BY EWA IS NOT, IN FACT, A STANDING COMMITTEE BUT RATHER HAS NO FORMAL EXISTENCE AND CONSISTS OF THOSE PEOPLE WHO MIGHT ATTEND MEETINGS WITH THE TECHNICAL ADVISOR OR PUBLIC MEETINGS. THEREFORE, MORE INFORMATION IS NEEDED AS TO HOW STANDING COMMITTEE MEMBERS WILL BE IDENTIFIED AS SPECIFICALLY ASSOCIATED WITH THIS TAG. IT NEEDS TO BE POINTED OUT THAT ONLY THOSE PEOPLE FORMALLY DESIGNATED AS MEMBERS OF THE TAG COMMITTEE WILL BE ELIGIBLE TO COUNT THEIR TIME AS PART OF THE MATCHING SHARE, AND ONLY FOR THOSE ACTIVITIES INCLUDED IN THE APPROVED TAG WORKPLAN.]**
- h. Regulations and OMB Circulars require different mechanisms for allowing and

tracking personnel time utilized for the matching share for an organization's paid employees vs. unpaid (i.e., "in-kind" or volunteer) time. Time to be counted toward the matching share for an organization's paid employees can only be counted at the rate at which they are actually paid, plus a factor for any fringe benefits, which must be part of the approved budget. In addition, paid employees of an organization must keep timesheets that account for the total activity for which they receive compensation from the organization, not just the TAG portion. (Please note that forms included in previous versions of EPA TAG Guidance documents apply to volunteer time only.)

- i. In light of the above, EWA needs to identify which of the personnel included in the matching share are EWA employees and which are volunteers.
- ii. For the EWA employees, documentation needs to be provided as to the hourly rate at which they are actually paid. For any fringe benefit factor to be applied to this rate, EWA needs to submit a breakdown of how this factor was derived.
- iii. For the EWA employees, EWA needs to submit a sample timesheet showing how their total time will be recorded and tracked, and EWA needs to describe how the following requirements of OMB Circular A-122 are being met:
  - (1) Payrolls must be approved by a responsible official of the organization.
  - (2) Timesheets must be signed by the individual employee, or by a responsible supervisory official having first hand knowledge of the activities performed by the employee, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports.

**[EMPLOYEE TIME HAS BEEN REMOVED FROM THE MATCHING SHARE. HOWEVER, THE ONLY MATCHING SHARE CATEGORIES THAT REMAIN AFTER THE AMOUNTS RELATED TO EWA EMPLOYEES' TIME ARE REMOVED INCLUDE "TAG COMMITTEE," VOLUNTEER TECHNICAL ADVISOR, AND EQUIPMENT COSTS. I AM CONCERNED ABOUT THE VIABILITY OF THESE CATEGORIES IF THEY ARE THE ONLY SOURCE OF MATCHING SHARE IN THE GRANT, BECAUSE EACH OF THEM HAS POTENTIAL PROBLEMS (SEE ¶5.a., ¶5.b., AND ¶5.g., ABOVE). THESE PROBLEMS WERE NOT AS CRITICAL TO ADDRESS IF THERE WAS A LARGE OVERMATCH (AS IN THE PREVIOUS VERSION OF THE APPLICATION) BECAUSE ANY DISALLOWANCES COULD BE MADE UP FOR BY MATCHING SHARE IN OTHER CATEGORIES.]**

6. Statement of Work for the Technical Advisor(s)

- a. EWA needs to identify what type of technical advisor(s) (e.g., their field of expertise) they envision hiring for each task. **[THE RESPONSE STATES THAT**

**EWA INTENDS TO HIRE A CONSULTANT COMPANY RATHER THAN INDIVIDUAL CONSULTANTS, AND DIFFERENT ADVISORS WILL BE IDENTIFIED BY THE COMPANY TO ASSIST EWA FOR DIFFERENT TASKS. EWA STATES THAT ADVISORS WILL HAVE QUALIFICATIONS "IN AREAS INCLUDING BUT NOT LIMITED TO RISK ASSESSMENT, HYDROGEOLOGY, GEOLOGY, CHEMISTRY, TOXICOLOGY, AND WETLAND ECOLOGY," THE PROGRAM OFFICE NEEDS TO DETERMINE WHETHER THIS IS AN ACCEPTABLE RESPONSE.]**

- b. **Technical Advisor Tasks [THIS SECTION WAS COMPLETELY REVISED; DIFFERENT TASKS ARE INCLUDED THAN WERE INCLUDED BEFORE, AND ALL HOURS HAVE BEEN REVISED. THEREFORE COMPLETE REVIEW BY THE PROGRAM OFFICE IS NEEDED. A TASK FOR "REVIEW ATSDR REPORTS FOR OU 1, OU 2, AND OU 3" HAS BEEN ADDED; THEREFORE THIS INFORMATION IS BEING FORWARDED TO THE ATSDR REGIONAL REPRESENTATIVE FOR REVIEW AND COMMENT.]**
- i. 75 hours are allocated for the review of the RI for OU1 and 35 hours are allocated for the review of the FS. However, these documents have already been finalized and a Record of Decision for OU1 has been issued. Comments on these documents were to have been submitted during the public comment period that has been closed. Therefore, these hours should be eliminated or the amount of hours scaled back considerably to allow only that amount of time required for an advisor to become familiar with them. **[PROGRAM OFFICE REVIEW IS NEEDED.]**
- ii. 100 hours to review the RI for OU2 appears excessive, since 70 hours were allocated to review the RI for OU3. This inconsistency should be addressed. **[PROGRAM OFFICE REVIEW IS NEEDED.]**
- iii. The application refers to a CAG. Please be aware that a CAG has not been formed for this site. Therefore, for those tasks that reference meeting with the CAG, hours should be reduced for each task since there is no CAG. **[THE REFERENCES TO A CAG HAVE BEEN REMOVED.]**
- iv. According to the application, review of the RA workplan for OU1 is scheduled for year 1. However, the review of the RD for OU1 is scheduled for year 2-3. This inconsistency should be corrected. **[PROGRAM OFFICE REVIEW IS NEEDED.]**

7. Other Issues

- a. Attachment F (copy of April 2003 issue of "The Wetlands Watch" newsletter) was not included. **[THE NEWSLETTER IS INCLUDED IN THIS RESPONSE.]**

- b. EWA needs to describe the volunteer "Science Advisory Board". **[THE VOLUNTEER "SCIENCE ADVISORY BOARD" HAS BEEN REMOVED AND REPLACED WITH THE "TAG COMMITTEE VOLUNTEER TECHNICAL ADVISOR." SEE COMMENTS ON ¶5.a., ABOVE.]**
- c. The narrative states that the TAG Committee will "Assist EWA in directing and refining contracts....." It should be noted that only one individual should be assigned to directing a contractor (i.e., directing the technical advisor). **[EPA'S CONCERN HAS BEEN "NOTED" BY EWA.]**

In accordance with the TAG regulations (i.e., 40 CFR §35.4150, copy enclosed), the above information must be submitted to me within 90 days of the date of this letter. Therefore, the information must be submitted by April 19, 2004. If you do not submit this information by that date, EPA will have to return the application to you, readvertise the fact that a TAG is available at this site, and the award process will begin again. Please note that this due date is regulatory and CANNOT be extended. However, as you may be aware, another TAG application has been received for the Site, and if the other applicant responds to EPA's request for additional details with respect to its application, and EWA does not, the TAG will not be readvertised, and the likely result will be that the other applicant will receive the TAG, if appropriate.

Please let me know if you have any questions. You may call me at (212) 637-3420 or you may E-mail me at [hemington.carol@epa.gov](mailto:hemington.carol@epa.gov). If you have questions on the programmatic portions of the comments, you may call the Remedial Project Manager for the site, Pietro Mannino, at (212) 637-4395.

We look forward to receiving your response.

Sincerely,

Carol A. Hemington, TAG Coordinator  
EPA Region 2

Enclosure

bcc: C. Petersen/NJRB  
D. Karlen/NJSUP



R. Baamonde/GCMB  
J. Prince/NJRB  
P. Brandt/CD  
R. O'Neal/GCMB  
P. Mannino/NJRB  
S. Flanagan/NJSUP  
C. Echols/CD

**[ADDITIONAL COMMENTS BASED ON CHANGES TO THE APPLICATION IN SECTIONS THAT EPA DID NOT COMMENT ON PREVIOUSLY:**

- 1. THE NUMBER OF GROUP MEMBERS HAS DECREASED SINCE THE PREVIOUS APPLICATION, FROM 227 TO 130.**
- 2. SECTION 1.A.2. - THE STATEMENT IS MADE THAT ATTACHMENT A IS A MAP OF THE SITE; I DO NOT FIND ATTACHMENT A INCLUDED IN THE PACKAGE.**
- 3. ATTACHMENTS CITED IN SECTION 1.B.1 AND SECTION 1.B.4. WERE RE-LETTERED BUT NOT RE-SUBMITTED WITH THE NEW LETTERING; NOW THE LETTERS IN THE TEXT DO NOT MATCH THE LETTERS ON THE ATTACHMENTS.**
- 4. THE DESCRIPTION OF STAFF MEMBERS HAS CHANGED, AND NOW DOES NOT MATCH THE ORGANIZATION CHART PREVIOUSLY PROVIDED.**
- 5. NEW SECTION RE: RECORDKEEPING ADDED TO SECTION 1.B.1 (SEE COMMENT 4.f., ABOVE).**
- 6. SECTION 1.B.2. HAS BEEN REVISED TO CHANGE THE TOTAL PROJECT AMOUNT, THE FEDERAL AMOUNT, AND THE MATCHING SHARE AMOUNT.**
- 7. SECTION 1.B.2. HAS BEEN REVISED TO CHANGE THE ACTIVITIES INCLUDED IN THE MATCHING SHARE AMOUNT. SEE COMMENTS ON ¶5.h., ABOVE. EWA HAS STATED THAT "IN THE UNLIKELY EVENT THAT MATCHING REQUIREMENTS CANNOT BE MET, EWA WILL SUBMIT A WAIVER FOR IN-KIND HOURS AS REQUIRED BY USEPA REGULATIONS." HOWEVER, IF IT DOES NOT APPEAR FROM THE APPLICATION THAT THE MATCHING SHARE WOULD BE MET, THE WAIVER REQUEST AND APPROVAL WOULD NEED TO BE PART OF THE INITIAL GRANT AWARD.**
- 8. SECTION 1.B.4 HAS BEEN REVISED. SEE COMMENT ON ¶4.b., ¶5.a., and ¶5.b., ABOVE. HOWEVER, THIS SECTION DOES NOT MENTION THE "OFFICE MANAGER" ROLE. ALSO, THIS SECTION STILL INCLUDES REFERENCES TO IN-KIND CONTRIBUTIONS USING EWA'S STANDARD PAYROLL ACTIVITY**

**REPORTING PROCEDURES FOR IN-HOUSE CONTRIBUTIONS ALTHOUGH EMPLOYEE CONTRIBUTIONS WERE DELETED FROM THE MATCHING SHARE. IT DOES NOT ADDRESS ANY PROCEDURES FOR RECORDKEEPING FOR THE "TAG COMMITTEE" IN-KIND CONTRIBUTIONS.**

- 9. ALL PARTS OF SECTION 1.C HAVE BEEN REVISED AND RENUMBERED AND NEED TO BE RE-REVIEWED. SEE COMMENTS ON ¶2.a. AND ¶2.b., ABOVE. ALSO, PLEASE NOTE THAT THE QUESTION "HOW MANY MEMBERS OF YOUR GROUP ARE AFFECTED BY THE SITE?" HAS NOT BEEN INCLUDED IN THIS REVISION.**
- 10. SECTION 1.C.2. HAS BEEN RENUMBERED 1.C.4. AND HAS BEEN REVISED TO DELETE THE CAG AND TO MAKE OTHER MINOR CHANGES. ONE CHANGE STATES THAT "EWA WILL TRACK MEMBERSHIP [OF THE TAG COMMITTEE] BY SIGN-IN SHEETS." SEE COMMENT 5.g., ABOVE.**
- 11. SECTION 1.C.3. HAS BEEN RENUMBERED AND COMPLETELY REVISED.**
- 12. THE STATEMENT OF WORK FOR THE TECHNICAL ADVISOR(S) HAS BEEN RENUMBERED AND COMPLETELY REVISED.**
- 13. THE DETAILED BUDGET HAS BEEN COMPLETELY REVISED.**

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**ADDITIONAL ISSUES:**

- 14. REGARDING THE BOARD OF DIRECTORS, DUE TO INCREASED SCRUTINY OF GRANTS, WE MIGHT WANT TO CONSIDER ASKING FOR EACH BOARD MEMBER TO CERTIFY IN WRITING THAT THEY ARE REPRESENTING ONLY THEMSELVES AS AFFECTED INDIVIDUALS, AND THAT THEY HAVE NO CONFLICT OF INTEREST. IF YOU AGREE, WE NEED TO WORK WITH ORC TO COME UP WITH SUCH A CERTIFICATION. IF YOU HAVE OTHER SUGGESTIONS ABOUT HOW WE COULD INSURE THIS - PARTICULARLY SINCE THESE ENTITIES ARE COMPLETELY UNKNOWN TO US AT THIS POINT, PLEASE PROVIDE THEM IN YOUR COMMENTS.**
- 15. FYI, THE "INDEPENDENT ACCOUNTANT" IS ALSO THE GRANTS ADMINISTRATOR FOR PREVIOUS TAG. THE ACCOUNTANT CANNOT BE CONSIDERED INDEPENDENT IF HE IS REVIEWING HIS OWN WORK.**
- 16. ACCORDING TO THE FINANCIAL STATEMENT, EWA RECEIVED \$276,500 IN GRANTS IN 2002.**
- 17. THE EWA WEBSITE LISTS DUES CATEGORIES; HOWEVER THE FINANCIAL**

**STATEMENT SAYS ONLY \$185 WAS RECEIVED IN DUES IN 2002. THE APPLICATION SAYS THERE ARE 130 MEMBERS. THE BY-LAWS INCLUDE TWO TYPES OF MEMBERS: CONTRIBUTING AND VOLUNTEER.**

- 18. INVESTMENTS ARE LISTED IN THE FINANCIAL STATEMENT - WE NEED TO BE SURE THAT FUNDS RECEIVED FROM EPA WERE NOT "INVESTED."**
- 19. THE FINANCIAL STATEMENT SAYS "CERTAIN COSTS HAVE BEEN ALLOCATED AMONG THE PROGRAM AND SUPPORTING SERVICES BENEFITTED AS DETERMINED BY MANAGEMENT." WE NEED TO BE SURE THAT THIS DOES NOT RELATED TO THE TAG. IF IT DOES, EWA WILL NEED TO SUBMIT AN INDIRECT COST PLAN.**